



# News Release

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

## **FOR IMMEDIATE RELEASE**

Contact: Scott Holeman, (816) 783-8003  
Matt Brisch, (816) 783-8016

### EXECUTIVE HEADQUARTERS

2301 MCGEE STREET  
SUITE 800  
KANSAS CITY MO  
64108-2662  
VOICE 816-842-3600  
FAX 816-783-8175

### GOVERNMENT RELATIONS

HALL OF THE STATES  
444 NORTH CAPITOL ST NW  
SUITE 701  
WASHINGTON DC  
20001-1509  
VOICE 202-624-7790  
FAX 202-624-8579

### SECURITIES VALUATION OFFICE

48 WALL STREET  
6<sup>TH</sup> FLOOR  
NEW YORK NY  
10005-2906  
VOICE 212-398-9000  
FAX 212-382-4207

### WORLD WIDE WEB

[www.naic.org](http://www.naic.org)

## **NAIC Launches Online Insurance Fraud Reporting System**

KANSAS CITY, Mo. (Jan. 27, 2005) – As part of the ongoing steps to proactively address issues surrounding the use of compensation arrangements by insurance brokers, the National Association of Insurance Commissioners (NAIC) announced today that an online insurance fraud reporting system is now featured on the association's Website, [www.naic.org](http://www.naic.org).

The online fraud reporting system — which allows consumers to provide detailed information anonymously — is one part of the NAIC's three-prong action plan, developed by the NAIC Executive Task Force on Broker Activities over the preceding months to protect consumer interests.

"State insurance regulators continue to move forward on a coordinated mission to deal with the issue of broker compensation aggressively," said Diane Koken, NAIC president and Pennsylvania Insurance Commissioner. "The addition of online fraud reporting capabilities to the NAIC's Website is another step toward our goal of addressing alleged misconduct and violation of existing insurance laws involving insurance companies and insurance brokers."

The insurance fraud reporting system is available via the NAIC Website or directly at [https://external-apps.naic.org/fraud/ofrs\\_entry.jsp](https://external-apps.naic.org/fraud/ofrs_entry.jsp). It is accessible from two links on the NAIC home page: under the "New and Noteworthy" section and through the Consumer Information Source.

No personal identifying information is required to submit an allegation of suspected fraud. A consumer wishing to receive verification of the NAIC's receipt of the report is required to provide a name and e-mail address. Consumers also may choose to provide additional contact information to facilitate additional communication from the state insurance department that investigates this report.

To file a suspected insurance fraud report, consumers are required to indicate the state where the suspected fraud occurred, name of the business or individual, with a complete mailing address. Other optional fields include the phone number and date of birth, as well as date of suspected fraud and amount of loss. The report also includes a text box allowing the consumer to provide additional details of the suspected fraud.

In addition to the online fraud reporting system, the Task Force — which was formed by the NAIC last fall — developed two more components to address the issue of broker compensation. These components are: development of a model act to create more transparency for insurance consumers through better disclosure of broker compensation arrangements; and coordination of state insurance departments' efforts to address improper conduct by brokers and insurers through investigation and collection of relevant information.

The NAIC has worked quickly to ensure consumers have the information they need when purchasing insurance, since the October findings of a joint investigation by the New York Attorney General and the New York Insurance Department led to the filing of a complaint against a large insurance brokerage firm surrounding issues of broker compensation.

“As the investigation into alleged criminal conduct and violation of insurance laws moves ahead, state insurance regulators continue to work together to provide guidance and insight for law enforcement officials,” said Koken. “As the national consumer watchdog on the insurance industry, the NAIC is committed to quickly addressing the issues and protecting consumer interests.”

### **About the NAIC**

Headquartered in Kansas City, Missouri, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and U.S. territories. The association's overriding objective is to protect consumers and help maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, it is the oldest association of state officials. For more information, visit the NAIC on the Web at [www.naic.org/pressroom](http://www.naic.org/pressroom).